

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

March 20, 2014
6:30 p.m.

**Meeting Location: San Bruno City Hall, Conference Room 115,
567 El Camino Real, San Bruno**

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- 1. Call to Order/Welcome:** The meeting was called to order by President Kraus at 6:32 p.m.
- 2. Roll Call:** Boardmembers Kraus, McGlothlin, Roberts, Cohn, Bohm, Hedley, and Stanback Stroud present.
- 3. Approval of Minutes: February 15, 2014, Special Board Meeting:** Minutes from the February 15, 2014 Special Board Meeting were approved with amended language to distinguish San Bruno Community Foundation from Silicon Valley Community Foundation. (M/S RSS/JM)
- 4. Announcements:** The next Centennial Committee meeting will be held on March 24, 2014. Boardmember McGlothlin will represent the SBCF and report back.
- 5. Boardmember Comments**
 - a. President: The SBCF has been immersed in orientation sessions regarding the many requirements of the new foundation, including state and federally mandated procedures to become a full functioning non-profit foundation. The SBCF now has a link on the City of San Bruno website and will work with staff to keep it up to date.
 - b. Others: City Manager Jackson reminded the public, on behalf of the City Council, that the SBCF has progressed well and rapidly since its inception and still has a great deal of work ahead. It will take time before grants can be considered.
- 6. Consent Calendar:** All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Boardmember, citizen, or staff.
 - a. Adopt Resolution Ratifying Formation of Executive Committee to Include President, Vice-President, and Treasurer (M/S FH/JM)
 - b. Adopt Resolution Establishing Signature Authority for Treasurer and One Other Board Officer (M/S FH/JM)

7. Conduct of Business

- a. Receive Report and Presentation, and Provide Direction Regarding Directors and Officers Insurance for SBCF Board Members:

Directors and Officers Insurance as defined by www.nonprofitrisk.org: *Insurance that provides coverage against wrongful acts which might include actual or alleged errors, omissions, misleading statements, and neglect or breach of duty on the part of the board of directors and other insured persons and entities.*

City Attorney Marc Zafferano reported that now is a good time for the SBCF to purchase Directors and Officers Insurance. The City's broker Seth Cole reported that several providers were approached and they received two quotes, both with a million dollar limit: RSUI for \$19,950 and AIG for \$15,436. Cole recommends going forward with RSUI because it provides the best protection, the details of which were shared.

A motion was made to direct staff to bring back a resolution to enter into an agreement with RSUI. (M/S JM/RSS).

The City will make sure coverage is established as soon as possible and bring back a resolution to the next SBCF board meeting.

Boardmember Stanback Stroud requested a review of funds and where the operational funding is coming from at this time.

- b. Receive Report Regarding Ongoing Activities for Continuing Formation and Establishment of SBCF:

City Attorney Marc Zafferano shared with the Board that due to the lack of specificity within the Mission Statement and the unique formation of the SBCF, there is a lot of activity going on behind the scenes by City staff and Consultant Mari Ellen Loijens of the Silicon Valley Community Foundation, regarding procedural aspects of the SBCF.

Email addresses have been set up on the City server for now. The addresses will be: firstinitiallastname-sbcf@sanbruno.ca.gov. The City is working on restructuring the email system to allow a name other than "sanbruno.ca.gov". Correspondence to the SBCF will be sent through these email addresses once they are live.

Boardmember Hedley would like to look into expeditiously obtaining "sbcf.org" domain name.

The SBCF needs to file a 1023 application for a 501(c)(3) status with the IRS. A three year budget is needed for this application. The 501(c)(3) will show that the SBCF is a supporting organization to the City of San Bruno and that the funds were negotiated in a public settlement, not triggering the private foundation requirements. Mari Ellen Loijens will work with the Executive Committee and staff to put together a timeline of activities, allowing the Board and public to be aware of what will be happening at future meetings.

President Kraus has possible SBCF logos from the students at Capuchino High School. The City is reviewing any possible legal issues that might come from using the logos.

- c. Receive Report and Provide Direction Regarding Establishment of Required Board Policies: Legal Advisor Britt Strottman of Meyers Nave presented and recommended a draft Conflict of Interest Policy, outlining what should be done if there is perceived conflict of interest. The 1023 application does not require a policy, but it is suggested and highly recommended. The Conflict of Interest Policy will need to be followed in conjunction with State Law policies. Motion made to direct staff to bring back a resolution adopting the Conflict of Interest Policy. (M/S PB/RSS)

Mari Ellen Loijens presented the second of three suggested policies for the 1023 application,

Nancy A. Kraus, *President*
John P. McGlothlin, *Vice President*
Emily Roberts, *Secretary*
Ben Cohn, *Treasurer*
Patricia Bohm
Frank Hedley
Regina Stanback Stroud

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the Whistle Blower Policy, applying to the Board, contractors and future employees. The policy outlines two avenues of reporting both within the Board, to the Board President, and outside the Board, to the City Manager. Boardmember Hedley would like more research into individuals not having unilateral authority to address a Whistle Blower complaint.

Motion made to direct staff to bring back a resolution adopting the Whistle Blower Policy with suggested research/changes. (M/S ER/RSS)

President Kraus would like staff to continue to bring policies to the Board for review.

- d. Receive Report and Provide Direction Regarding Preparation of a 3-year Budget for SBCF's 501(c)(3) Application:

Mari Ellen Loijens explained that a reasonable, good faith estimated 3-year budget is critical for filing the 1023. The IRS will review it and ensure that it falls in line with the Board's mission. The three years will include a partial first fiscal year ending 6/30/14, full FY 7/1/14 – 6/30/15 and full FY 7/1/15 – 6/30/16. Salaries and wages, grant assistance plan, occupancy, insurance, and consultants should all be part of the 3-year budget.

President Kraus appointed Boardmembers Bohm, Hedley and McGlothlin to an ad-hoc committee to work on the budget.

Motion made to appoint the ad-hoc committee to work with staff to create a 3-year budget in order to file the 1023 application for 501(c)(3) status with the IRS. (M/S RSS/ER)

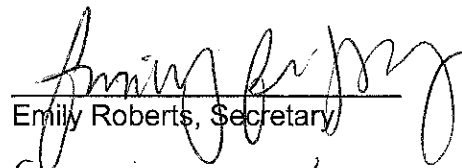
8. Public Comment: Individuals are allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, contact the President to request that the Board consider your comments earlier. It is the Board's policy to refer matters raised in this forum to staff for investigation and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendaized pursuant to State Law.

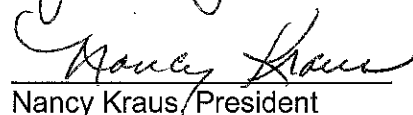
City Treasurer John Marty introduced Jim Dowley, of Wells Fargo Bank, who shared that he is very happy to be working with the Board and is available to answer any questions the Board may have about the funds being invested by Wells Fargo.

9. Adjourn

7:57 p.m. (M/S FH/RSS)

Respectfully submitted for approval at the Regular Board Meeting of April 17, 2014 by Secretary Emily Roberts and President Nancy Kraus.


Emily Roberts, Secretary


Nancy Kraus, President